



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

January 10, 2011

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To: Mayor Michael D. Antonovich  
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Supervisor Mark Ridley-Thomas  
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Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

## **MOTION TO SUPPORT THE PRESERVATION OF THE AFFORDABLE CARE ACT OF 2010 (ITEM NO. 31-B, SUPPLEMENTAL AGENDA OF JANUARY 11, 2011)**

Item No. 31-B on the January 11, 2011 Supplemental Agenda is a motion by Supervisor Ridley-Thomas to direct the County Legislative Advocates in Washington, D.C. and County departments to take immediate and necessary action to preserve the Affordable Care Act (ACA) of 2010, especially those provisions extending affordable health coverage and benefits to uninsured and underinsured residents who must rely on the County health care delivery system.

The repeal the ACA of 2010, major health care reform legislation enacted last year, is a top priority of Congressional Republicans. The House had been scheduled to vote on H.R. 2 (Cantor, R-VA), which would repeal the entire Act, on January 12, 2010, but postponed consideration of H.R. 2 and other legislation until after this week in response to the shooting of Representative Giffords on Saturday.

The motion's recommendation to support preservation of the Affordable Care Act of 2010, especially its provisions extending coverage and benefits to residents, who much rely on the County's health care delivery system, is consistent with existing policies in the County's Federal Legislative Agenda, including the following:

- Oppose proposals which would increase the County's unreimbursed costs of providing and administering health care services, such as those which would

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reduce the level of Medicaid payments, number of Medicaid eligible persons, and scope of Medicaid covered services;

- Oppose proposals that would reduce Federal or State financial participation in health and human services programs, especially when it could result in a reduction in services or shift costs to the County; and
- Oppose proposals which would increase the County's unreimbursed costs of providing and administering health and human services, such as reducing Federal funding or denying federally-funded benefits to indigent County residents who will remain eligible for County-funded services.

Health care reform was one of the County's top Federal legislative priorities last year, based on existing Board policies. Provisions in the ACA, which are especially important to the County, include:

- Expanding Medicaid eligibility to cover non-disabled persons below age 65 with incomes up to 134 percent of the Federal Poverty Level (FPL), including medically-indigent adults who currently must rely on the County for health care under Section 17000 of the State's Welfare and Institutions Code. This provision takes effect in 2014 with an enhanced Federal Medicaid match rate ("FMAP") of 100 percent through 2016, phasing down to 90 percent after 2019. States also can expand Medicaid eligibility immediately at the normal FMAP;
- Expanding Medicaid coverage to all persons who were in foster care and receiving Medicaid at age 18 until they are age 26, effective in 2014;
- Requiring states to maintain current Medicaid eligibility levels, procedures and methodologies through December 31, 2013, which prevents California from reducing Medicaid eligibility;
- Prohibiting states from requiring local governments from incurring an increased percentage share of non-Federal Medicaid costs, which protects the County from being required to finance a greater percentage share of Medicaid costs, including for In-Home Supportive Services;
- Providing a new State option to provide health homes for Medicaid recipients with chronic conditions, effective in 2011, which provides participating states with a 90 percent FMAP for the first eight quarters of implementation;

- Establishing a Prevention and Public Health Fund, which can be used to fund prevention, public health and wellness activities above their Federal Fiscal Year (FFY) 2008 funding levels. The Act appropriates \$15 billion for the Fund through FFY 2019 and \$2 billion a year thereafter;
- Establishing an Early Childhood Visitation Program, which is funded at \$100 million in FFY 2010, \$250 million in FFY 2011, \$350 million in FFY 2012, and \$400 million in FFYs 2013 and 2014; and
- Establishing a \$5 billion Temporary Reinsurance Program for Early Retirees (and their spouses) between the age 55 and 64 who are not eligible for Medicare, which reimburses 80 percent of claims that exceed \$15,000, but are below \$90,000. The Los Angeles County Employees Retirement Association has been participating in this program, which was implemented last summer.

The repeal of the ACA would result in the loss of its expanded health coverage (including Medicaid) and the increased revenue and uncompensated health care cost savings that the County, otherwise, would realize. While the major Medicaid eligibility expansions do not take effect until 2014, the County would be adversely affected long before 2014 if the ACA were repealed. Most notably, both the State and County would receive significantly less Federal revenue from the new Section 1115 Medicaid waiver if the ACA were repealed. Under the waiver's terms and conditions, Federal financial participation and budget neutrality under the waiver must change to reflect any changes in Federal law. Repeal of the ACA's new state option to cover medically-indigent adults up to 134 percent of the FPL with the normal 50 percent Federal matching funds; therefore, would force changes in the waiver, which would mean far less Federal funding to cover indigent persons who, otherwise, would not be eligible for Medicaid.

WTF:RA  
MT:sb

c: Executive Office, Board of Supervisors  
County Counsel